

Resolution No. 2015R-489


City of Minneapolis

File No. 15-01460

On motion duly made, seconded, and carried on the vote shown below, the attached resolution approving Amended and Restated Term Loan Agreements with U.S. Bank National Association with respect to Amended Series 2011 Term Loans and Amended Series 2011 Notes of the City; approving Series 2015 Term Loans under the provisions of Term Loan Agreements with U.S. Bank National Association; authorizing the issuance and delivery of one or more General Obligation Term Loan Notes, Series 2015, evidencing the Series 2015 Term Loans; authorizing the execution and delivery of the Amended and Restated Term Loan Agreements, the Term Loan Agreements, and related documents; and making certain findings, covenants, and directions relating thereto was adopted.

Committee: WM Public Hearing: N/A Publication: 11/28/2015

RECORD OF COUNCIL VOTE				
MEMBER	AYE	NAY	ABSTAIN	ABSENT
REICH	X			
GORDON	X			
FREY	X			
B. JOHNSON	X			
YANG	X			
WARSAME	X			
GOODMAN	X			
GLIDDEN	X			
CANO	X			
BENDER	X			
QUINCY	X			
A. JOHNSON	X			
PALMISANO				X
DATE:	NOV 20 2015			

☒ APPROVED☐ VETOED
MAYOR HODGESNOV 23 2015
DATECertified an official action of the City Council
ATTEST:
CITY CLERK

2015R- 489
RESOLUTION
of the
CITY OF
MINNEAPOLIS
By Quincy

Approving Amended and Restated Term Loan Agreements with U.S. Bank National Association with respect to Amended Series 2011 Term Loans and Amended Series 2011 Notes of the City; approving Series 2015 Term Loans under the provisions of Term Loan Agreements with U.S. Bank National Association; authorizing the issuance and delivery of one or more General Obligation Term Loan Notes, Series 2015, evidencing the Series 2015 Term Loans; authorizing the execution and delivery of the Amended and Restated Term Loan Agreements, the Term Loan Agreements, and related documents; and making certain findings, covenants, and directions relating thereto.

Resolved by The City Council of The City of Minneapolis:

SECTION 1. SERIES 2011 NOTES AND SERIES 2011 TERM LOAN AGREEMENTS.

1.01. Direct Loan Placement. The City of Minneapolis (the "City") previously issued several variable-rate bond issues secured by standby bond purchase agreements provided by Dexia Credit Local. Under the terms of Resolution 2011R-548, adopted by the City Council on October 21, 2011, and approved by the Mayor on the same date, the City Council authorized the Finance Officer of the City to enter into agreements to terminate the standby bond purchase agreements provided by Dexia Credit Local and negotiate a direct loan placement with a bank to replace the variable-rate bond issues secured by the liquidity facility previously provided by Dexia Credit Local. After a competitive process, U.S. Bank National Association, a national banking association (the "Bank") was selected to provide the City with a direct loan placement.

1.02. Series 2011 Notes. In accordance with the terms and conditions set forth in Resolution 2011R-624, adopted by the City Council on November 18, 2011, and approved by the Mayor on November 23, 2011, the City Council authorized the issuance of the following obligations: (i) General Obligation Term Loan Note, Series 2011A (the "Series 2011A Note"), issued in the original aggregate principal amount of \$15,840,000 and currently outstanding (after the December 1, 2015 payment) in the principal amount of \$14,215,000; and (ii) General Obligation Term Loan Note, Series 2011B (the "Series 2011B Note"), issued in the original aggregate principal amount of \$27,980,000 and currently outstanding in the same principal amount. The Series 2011A Note and the Series 2011B Note are hereinafter referred to collectively as the "Series 2011 Notes."

1.03. Series 2011 Term Loan Agreements. In accordance with the terms and conditions set forth in Resolution 2011R-624, the City Council also approved and authorized the execution and delivery of: (i) a Term Loan Agreement, dated as of December 1, 2011 (the "Series 2011A Term Loan Agreement"), between the City and the Bank, which provided for a term loan from the Bank to the City (the "Series 2011A Term Loan"), established certain terms of the Series 2011A Note evidencing the Series 2011A Term Loan, and provided the rights and remedies of the City and the Bank with respect to the Series 2011A Term Loan and the Series 2011A Note; and (ii) a Term Loan Agreement, dated as of December 1, 2011 (the "Series 2011B Term Loan Agreement"), between the City and the Bank, which provided for a term loan from the Bank to the City (the "Series 2011B Term Loan"), established certain terms of the Series 2011B Note evidencing the Series 2011B Term Loan, and provided the rights and remedies of the City and the Bank with respect to the Series 2011B Term Loan and the Series 2011B Note. The Series 2011A Term Loan and the Series 2011B Term Loan are hereinafter referred to collectively as the "Series 2011 Term Loans." The Series 2011A Term Loan Agreement and the Series 2011B Term Loan Agreement are hereinafter referred to collectively as the "Series 2011 Term Loan Agreements."

1.04. Request for Proposals. In response to a Request for Proposals for Direct Purchase, Placement Agent, or Investment Banking Services (Underwriting and Remarketing Agent), dated September 4, 2015 (the "Request for Proposals"), prepared by the City and submitted to various financial institutions in connection with the Nicolle

Mall redevelopment project (the "Nicollet Mall Project"), the Bank submitted a proposal (the "Bank Proposal") to: (i) provide a direct loan to the City in the principal amount of up to \$25,000,000 to finance the Nicollet Mall Project; (ii) provide an additional direct loan of up to \$25,000,000 to finance other public infrastructure capital improvements (the "Capital Improvements Project"); and (iii) amend the Series 2011 Term Loan Agreements, the Series 2011 Term Loans, and the Series 2011 Notes to conform to the terms in the Bank Proposal with respect to the proposed direct loans for the Nicollet Mall Project and the Capital Improvements Project. The proposed amendments to the Series 2011 Term Loan Agreements and the Series 2011 Notes include: (i) an extension of the mandatory prepayment date on which the Series 2011 Notes are subject to mandatory prepayment by the City (currently July 1, 2016, and proposed to be extended to December 18, 2018); (ii) an amendment to the variable index rate at which interest accrues on the Series 2011 Term Loans and the Series 2011 Notes (which is expected to result in a reduction in the interest that will accrue on the Series 2011 Term Loans and the Series 2011 Notes during their terms); and (iii) other amendments to the terms of the Series 2011 Term Loan Agreements, the Series 2011 Term Loans, and the Series 2011 Notes.

1.05. Amended and Restated Documents. Under the provisions of the Bank Proposal, the City and the Bank propose to enter into: (i) an Amended and Restated Term Loan Agreement with respect to the Series 2011A Term Loan (the "Amended Series 2011A Term Loan Agreement") to replace, amend, and restate the Series 2011A Term Loan Agreement; (ii) an Amended and Restated Series 2011A Note (the "Amended Series 2011A Note") to replace, amend, and restate the Series 2011A Note; (iii) an Amended and Restated Term Loan Agreement with respect to the Series 2011B Term Loan (the "Amended Series 2011B Term Loan Agreement") to replace, amend, and restate the Series 2011B Term Loan Agreement; and (iv) an Amended and Restated Series 2011B Note (the "Amended Series 2011B Note") to replace, amend, and restate the Series 2011B Note. The Amended Series 2011A Term Loan Agreement and the Amended Series 2011B Term Loan Agreement are hereinafter referred to collectively as the "Amended Series 2011 Term Loan Agreements." The amended Series 2011A Term Loan and the amended Series 2011B Term Loan are hereinafter referred to collectively as the "Amended Series 2011 Term Loans." The Amended Series 2011A Note and the Amended Series 2011B Note are hereinafter referred to collectively as the "Amended Series 2011 Notes."

SECTION 2. NICOLLET MALL PROJECT, CAPITAL IMPROVEMENTS PROJECT, AND REDEMPTION OF SERIES 2005B BONDS.

2.01. Nicollet Mall Project. Under the provisions of the Bank Proposal, the Bank has proposed to make a term loan to the City to finance the Nicollet Mall Project (the "Series 2015A Term Loan"), as evidenced by a General Obligation Term Loan Note, Series 2015A (the "Series 2015A Note"), to be issued by the City in the original aggregate principal amount of \$25,000,000. The Series 2015A Term Loan will be made under the terms of a Term Loan Agreement, dated on or after December 1, 2015 (the "Series 2015A Term Loan Agreement"), between the City and the Bank. The Nicollet Mall is a mile-long public gathering space, pedestrian/transit corridor, and iconic feature of downtown Minneapolis originally constructed on a portion of Nicollet Avenue in the mid-1960s and last renovated in the 1980s. The City and the Minneapolis Downtown Council have partnered to spearhead a \$50,000,000 upgrade of the Nicollet Mall. The construction of the Nicollet Mall Project is expected to commence in early 2016 and completion of construction is scheduled for 2017. The estimated total cost of the Nicollet Mall Project is proposed to be financed with the following: (i) approximately \$25,000,000 derived from the Series 2015A Term Loan to be secured and payable primarily from special assessments imposed on properties benefitted from the improvements financed with the proceeds of the Series 2015A Term Loan; (ii) \$3,500,000 of cash equity contributed by the City; and (iii) \$21,500,000 of the proceeds of a grant to be made by the State of Minnesota (the "State Grant") in accordance with the terms of Laws of Minnesota 2014, Chapter 294, Article 1, Section 21, Subdivision 14.

2.02. Capital Improvements Project. Under the provisions of the Bank Proposal, the Bank has proposed to make a term loan to the City to finance the Capital Improvements Project (the "Series 2015B Term Loan"), as evidenced by a General Obligation Term Loan Note, Series 2015B (the "Series 2015B Note"), to be issued by the City in the original aggregate principal amount of up to approximately \$18,700,000. The Series 2015B Term Loan will be made under the terms of a Term Loan Agreement, dated on or after December 1, 2015 (the "Series 2015B Term Loan Agreement"), between the City and the Bank. The Capital Improvements Project is comprised of capital projects for various purposes acquired, constructed, and installed, or to be acquired, constructed, and installed in the City.

2.03. Redemption and Prepayment of Series 2005 Bonds. Under the provisions of the Bank Proposal, the Bank has proposed to make a term loan to the City (the "Series 2015C Term Loan"), as evidenced by a General Obligation Term Loan Note, Series 2015C (the "Series 2015C Note"), to be issued by the City in the original aggregate principal amount of up to approximately \$6,300,000, under the terms of a Term Loan Agreement, dated on or after December 1, 2015 (the "Series 2015C Term Loan Agreement"), between the City and the Bank, the proceeds of which are to be applied to the redemption and prepayment of a portion of the General Obligation Various Purpose Refunding Bonds, Series 2005B (the "Series 2005B Bonds"), issued by the City on November 17, 2005, in the original aggregate principal amount of \$30,290,000 and currently outstanding in the principal amount of \$12,805,000. The proceeds of the Series 2015C Term Loan will be applied to the redemption and prepayment of the portion of the Series 2005B Bonds in the principal amount of \$6,240,000 maturing on December 1 in the years 2018 through and including 2021.

2.04. Authority. The City is authorized to enter into the Series 2015A Term Loan Agreement, the Series 2015B Term Loan Agreement, and the Series 2015C Term Loan Agreement (collectively, the "Series 2015 Term Loan Agreements"), obtain the Series 2015A Term Loan, the Series 2015B Term Loan, and the Series 2015C Term Loan (collectively, the "Series 2015 Term Loans"), issue the Series 2015A Note, the Series 2015B Note, and the Series 2015C Note (collectively, the "Series 2015 Notes"), and to apply the proceeds of the Series 2015 Term Loans and the Series 2015 Notes to the purposes described above in accordance with the provisions of Minnesota Statutes, Chapter 429, as amended ("Improvement Bonds Act"), Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act"), and the Charter of the City.

SECTION 3. APPROVAL OF TERM LOAN AGREEMENTS AND NOTES.

3.01. Findings of the City. The City Council hereby finds, determines, and declares that entering into the Series 2015 Term Loan Agreements and the Amended Series 2011 Term Loan Agreements, obtaining the Series 2015 Term Loans and issuing the Series 2015 Notes, and obtaining the Amended Series 2011 Term Loans and providing for the amendments to the Series 2011 Notes through the issuance of the Amended Series 2011 Notes, all for the purposes described above, are in the best interests of the City.

3.02. Terms of the Series 2015 Term Loan Agreements. The Finance Officer of the City, Interim Finance Officer of the City, and any persons exercising the powers of the Finance Officer (collectively, the "Finance Officer") are hereby authorized to negotiate with the Bank the provisions of the Series 2015 Term Loan Agreements in accordance with the terms of this resolution and to execute and deliver the Series 2015 Term Loan Agreements on behalf of the City. The maximum amount of the Series 2015 Term Loans to be made under the provisions of the Series 2015 Term Loan Agreements, as evidenced by the Series 2015 Notes, shall be \$50,000,000. The Series 2015 Term Loans shall bear interest at a variable rate per annum approved by the Finance Officer. The principal amount of the Series 2015 Term Loans shall mature on such date or dates and in such principal amounts as shall be determined by the Finance Officer, consistent with the requirements of Section 475.54, Subdivisions 1 and 17, of the Municipal Debt Act (determined, if necessary, by combining such maturities with those of other obligations of the City). Any one or more of the Series 2015 Notes, evidencing the Series 2015 Term Loans, may be issued and sold as temporary improvement bonds under Section 429.091, Subdivisions 5 and 7, of the Improvement Bonds Act and as temporary obligations under the provisions of Section 475.61, Subdivision 6, of the Municipal Debt Act. The authorization to enter into the Series 2015 Term Loan Agreements is effective without any additional action by the City Council and shall be undertaken by the Finance Officer on such date or dates and upon the terms and conditions deemed reasonable by the Finance Officer. For purposes of executing the Series 2015 Term Loan Agreements, the Finance Officer is the officer of the City designated to execute and deliver such documents on behalf of the City.

3.03. Issuance of the Series 2015 Notes. In order to evidence the Series 2015 Term Loans, the City Council hereby authorizes the issuance of the Series 2015 Notes in the original aggregate principal amount not to exceed \$50,000,000, on such date and upon the terms and conditions determined by the Finance Officer. Each of the Series 2015 Notes shall be issued in the principal amounts described in this resolution, subject to adjustment as the Finance Officer deems appropriate (although the sum of the principal amounts of all the Series 2015 Notes shall not exceed \$50,000,000). The Series 2015 Notes shall be designated as set forth in Section 2.01, Section 2.02, and Section 2.03 of this resolution, or shall be designated as otherwise determined by the Finance Officer, and shall be prepared substantially in the forms now on file with the City. The issuance and delivery of the Series 2015 Notes shall be conclusive evidence that the Finance Officer has approved any changes to the forms of the Series

2015 Notes on file with the City on the date hereof. The proceeds derived from the sale of the Series 2015 Notes shall be held, transferred, expended, and invested in accordance with the directions of the Finance Officer.

3.04. Terms of the Amended Series 2011 Term Loan Agreements and the Amended Series 2011 Notes. The Finance Officer of the City is hereby authorized to negotiate with the Bank the provisions of the Amended Series 2011 Term Loan Agreements in accordance with the terms of this resolution and to execute and deliver the Amended Series 2011 Term Loan Agreements on behalf of the City. The Finance Officer is hereby authorized to prepare the Amended Series 2011 Notes in accordance with the terms of this resolution and the terms of the Amended Series 2011 Term Loan Agreements and to provide for the execution and delivery of the Amended Series 2011 Notes on behalf of the City. The Amended Series 2011 Notes shall be prepared substantially in the forms now on file with the City. The authorization to enter into the Amended Series 2011 Term Loan Agreements and to execute and deliver the Amended Series 2011 Notes is effective without any additional action by the City Council and shall be undertaken by the Finance Officer on such date or dates and upon the terms and conditions deemed reasonable by the Finance Officer. For purposes of executing the Amended Series 2011 Term Loan Agreements and the Amended Series 2011 Notes, the Finance Officer is the officer of the City designated to execute and deliver such documents on behalf of the City.

3.05. Execution and Delivery of the Notes. The Series 2015 Notes and the Amended Series 2011 Notes (collectively, the "Notes") shall be executed by the manual or facsimile signature of the Finance Officer, authenticated by the manual signature of the Finance Officer acting in the capacity of registrar of the Notes (the "Registrar"), and a facsimile of the corporate seal of the City shall be impressed or printed on each Note (unless the Finance Officer determines to omit the seal of the City). The approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, shall accompany the delivery of the Notes. When the Notes have been duly executed by the Finance Officer and authenticated by the Registrar in accordance with this resolution, the Notes shall be delivered to the Bank in accordance with applicable provisions of the Series 2015 Term Loan Agreements and the Amended Series 2011 Term Loan Agreements (collectively, the "Term Loan Agreements"). The Notes shall not be valid for any purpose until authenticated by the Registrar, who is hereby appointed authenticating agent in accordance with the requirements of the Municipal Debt Act.

SECTION 4. EXECUTION AND DELIVERY OF RELATED DOCUMENTS.

4.01. Certificates with respect to the Series 2015 Notes. If the Finance Officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the Bank, on the date of delivery of the Series 2015 Notes, such certificates as are required as a condition of sale of the Series 2015 Notes. Unless litigation shall have been commenced and be pending questioning the Series 2015 Term Loan Agreements, the Series 2015 Term Loans, the Series 2015 Notes, or the organization of the City or incumbency of its officers, on the delivery date the Finance Officer shall also execute and deliver to the Bank a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Series 2015 Notes. The Finance Officer shall also execute and deliver: (i) a general certificate of the City; (ii) a tax certificate meeting the requirements of the arbitrage regulations under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and relating to other provisions of Section 103 and Sections 141-150 of the Code and applicable Treasury Regulations; (iii) an Information Return for Tax-Exempt Governmental Obligations (Rev. September 2011) with respect to the Series 2015 Notes; and (iv) other certificates, instruments, and documents that are required or recommended by the City Attorney or Kennedy & Graven, Chartered, in its capacity as bond counsel to the City. The City shall also deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Series 2015 Notes and the exemption of interest thereon from federal and State of Minnesota income taxation (other than State of Minnesota corporate franchise and bank excise taxes measured by income) under present laws and rulings.

4.02. Certificates with respect to the Amended Series 2011 Notes. If the Finance Officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the Bank, on the date of delivery of the Amended Series 2011 Notes, such certificates as are required as a condition to the delivery and acceptance of the Amended Series 2011 Notes. Unless litigation shall have been commenced and be pending questioning the Amended Series 2011 Term Loan Agreements, the Amended Series 2011 Notes, or the organization of the City or incumbency of its officers, the Finance Officer shall also execute and deliver on the delivery date to the Bank a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to delivery of the Amended Series 2011 Notes. The Finance Officer shall also execute and deliver: (i) a general certificate of the City; (ii) a tax certificate meeting the requirements of the arbitrage regulations under

Section 148 of the Code and relating to other provisions of Section 103 and Sections 141-150 of the Code and applicable Treasury Regulations; (iii) an Information Return for Tax-Exempt Governmental Obligations (Rev. September 2011) with respect to the Amended Series 2011 Notes; and (iv) other certificates, instruments, and documents that are required or recommended by the City Attorney or Kennedy & Graven, Chartered, in its capacity as bond counsel to the City. The City shall also deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Amended Series 2011 Notes and the exemption of interest thereon from federal and State of Minnesota income taxation (other than State of Minnesota corporate franchise and bank excise taxes measured by income) under present laws and rulings.

SECTION 5. PAYMENT; SECURITY; PLEDGES, AND COVENANTS.

5.01. Debt Service Account for the Amended Series 2011 Notes. The Amended Series 2011 Notes shall remain payable from the debt service account for the Series 2011 Notes (the "Series 2011 Note Debt Service Account") established as part of the City's Debt Service Fund in accordance with the provisions of Resolution 2011R-624. The proceeds of the revenues described in Section 4.02 of Resolution 2011R-624 (the "Series 2011 Term Loan Revenues") were pledged to the Series 2011 Notes and such pledge to the Amended Series 2011 Notes is hereby ratified and confirmed. The Series 2011 Term Loan Revenues shall be transferred upon receipt to the Series 2011 Note Debt Service Account of the Debt Service Fund (subject to any pledge of such Series 2011 Term Loan Revenues to obligations issued on a parity basis with the Amended Series 2011 Notes, including obligations previously issued or obligations issued in the future). If a payment of principal or interest on the Amended Series 2011 Notes becomes due when there is not sufficient money in the Series 2011 Note Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the Series 2011 Term Loan Revenues, when collected.

5.02. Debt Service Account for the Series 2015A Term Loan. The principal of and interest on the Series 2015A Term Loan, as evidenced by the Series 2015A Note, shall be payable from the debt service account for the Series 2015A Term Loan (the "Series 2015A Term Loan Debt Service Account") established as part of the City's Debt Service Fund. The proceeds of the special assessments (the "Assessments") levied or to be levied for the Nicollet Mall Project to be financed by the Series 2015A Term Loan are hereby pledged to the Series 2015A Term Loan Debt Service Account of the Debt Service Fund. If a payment of principal or interest on the Series 2015A Term Loan becomes due when there is not sufficient money in the Series 2015A Term Loan Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the Assessments, when collected. There is appropriated to the Series 2015A Term Loan Debt Service Account: (i) interest financed from proceeds of the Series 2015A Term Loan, if any; and (ii) any amount over the minimum purchase price of the Series 2015A Term Loan, if any, paid by the Bank, unless the Finance Officer elects to apply such amount to another purpose.

5.03. Project Fund for the Proceeds of the Series 2015A Term Loan. The proceeds of the Series 2015A Term Loan, less the appropriations made in Section 5.02, together with any other funds appropriated for the Nicollet Mall Project and Assessments collected during the construction of the Nicollet Mall Project will be deposited in separate funds or accounts to be used solely to defray expenses of the Nicollet Mall Project, including the payment of the principal of and interest on the Series 2015A Term Loan prior to the completion and payment of all costs of Nicollet Mall Project. Any balance remaining in any fund or account after completion of Nicollet Mall Project may be used to pay the cost, in whole or in part, of any other local improvement undertaken by the City. When the Nicollet Mall Project is completed and the costs thereof paid, the funds and accounts are to be closed and subsequent collections of Assessments for the Nicollet Mall Project are to be deposited in the Series 2015A Term Loan Debt Service Account.

5.04. City Covenants Related to Series 2015A Term Loan. It is hereby determined that the Nicollet Mall Project will directly and indirectly benefit abutting property, and the City hereby covenants with the holders from time to time of the Series 2015A Term Loan as follows:

(a) The City has caused or will cause the Assessments for the Nicollet Mall Project to be promptly levied and will take all steps necessary to assure prompt collection, and the levy of the Assessments is hereby authorized. The City will cause to be taken with due diligence all further actions that are required for the construction of the Nicollet Mall Project financed wholly or partly from the proceeds of the Series 2015A Term Loan, and will take all

further actions necessary for the final and valid levy of the Assessments and the appropriation of any other funds needed to pay the Series 2015A Term Loan and interest thereon when due.

(b) In the event of any current or anticipated deficiency in Assessments, the City will levy ad valorem taxes in the amount of the current or anticipated deficiency.

(c) The City will keep complete and accurate books and records showing receipts and disbursements in connection with the Nicollet Mall Project, Assessments levied therefor, and other funds appropriated for their payment, collections thereof, and disbursements therefrom, money on hand, and the balance of unpaid Assessments.

5.05. General Obligation Pledge and Tax Levy with respect to the Series 2015A Term Loan. The full faith and credit of the City are irrevocably pledged for payment of the Series 2015A Term Loan and the City has obligated itself to levy ad valorem taxes on all taxable property in the City in the event of any deficiency in the Assessments, which taxes may be levied without limitation as to rate or amount. It is hereby determined that the estimated collections of Assessments and interest thereon for payment of principal and interest on the Series 2015A Term Loan will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Series 2015A Term Loan and, therefore, no tax levy is needed at this time.

5.06. Debt Service Account for the Series 2015B Term Loan. The principal of and interest on the Series 2015B Term Loan, as evidenced by the Series 2015B Note, shall be payable from the debt service account for the Series 2015B Term Loan (the "Series 2015B Term Loan Debt Service Account") established as part of the City's Debt Service Fund. There are hereby pledged to the Series 2015B Term Loan Debt Service Account net revenues derived from the operation of the utilities of the City that are financed with any portion of the Series 2015B Term Loan and the proceeds of ad valorem taxes levied in accordance with the terms of this resolution. If a payment of principal or interest on the Series 2015B Term Loan becomes due when there is not sufficient money in the Series 2015B Term Loan Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the revenues pledged or taxes levied and pledged by this resolution, when collected. There is appropriated to the Series 2015B Term Loan Debt Service Account: (i) interest to be financed with proceeds of the Series 2015B Term Loan, if any; and (ii) any amount over the minimum purchase price of the Series 2015B Term Loan paid by the Bank, unless the Finance Officer elects to apply such amount to another purpose.

5.07. Project Funds for the Proceeds of the Series 2015B Term Loan. The proceeds of the Series 2015B Term Loan, less the appropriations made in Section 5.06, together with any other funds appropriated for the improvements and taxes collected during the construction of the Capital Improvements Project will be deposited in separate funds or accounts to be used solely to defray expenses of the municipal improvements comprising the Capital Improvements Project, including the payment of principal and interest on the Series 2015B Term Loan prior to the completion and payment of all costs of any municipal improvements comprising the Capital Improvements Project. Any balance remaining in any fund or account after completion of any municipal improvements comprising the Capital Improvements Project may be used to pay the cost, in whole or in part, of any other local improvement undertaken by the City. When the municipal improvements comprising the Capital Improvements Project are completed and the costs thereof paid, the funds and accounts are to be closed and subsequent collections of taxes for such improvements are to be deposited in the Series 2015B Term Loan Debt Service Account.

5.08. Ad Valorem Tax Levy with respect to the Series 2015B Term Loan. For the purpose of paying the principal of and interest on the Series 2015B Term Loan, the Finance Officer is hereby authorized to levy a direct annual irrepealable ad valorem tax upon all of the taxable property in the City, to be spread upon the tax rolls and collected with and as part of other general taxes of the City to the extent the Finance Officer determines such levy is necessary to pay the principal of and interest on the Series 2015B Term Loan when due. Any tax levy so imposed will be irrepealable until the Series 2015B Term Loan is paid, provided that the Finance Officer may reduce the tax levy in accordance with the provisions of Section 475.61 of the Municipal Debt Act. The tax revenues derived from the levy of such ad valorem taxes will be credited to the Series 2015B Term Loan Debt Service Account.

5.09. General Obligation Pledge and Tax Levy with respect to the Series 2015B Term Loan. The full faith and credit of the City are irrevocably pledged for payment of the Series 2015B Term Loan and the City has obligated itself to levy ad valorem taxes on all taxable property in the City in the event of any deficiency in the net revenues derived from the operation of the utilities of the City that are financed with any portion of the Series 2015B Term Loan and

the proceeds of ad valorem taxes levied in accordance with the terms of this resolution, which taxes may be levied without limitation as to rate or amount. It is determined that the estimated collection of the foregoing taxes, together with the net revenues derived from the operation of the utilities of the City that are financed with any portion of the Series 2015B Term Loan, will produce at least five percent (5%) in excess of the amount needed to meet when due, the principal and interest payments on the Series 2015B Term Loan. If necessary, however, the City shall levy an additional direct tax on all taxable property in the City, without limitation as to rate or amount, to pay such principal and interest when due.

5.10. Debt Service Account for the Series 2015C Term Loan. The principal of and interest on the Series 2015C Term Loan, as evidenced by the Series 2015C Note, shall be payable from the debt service account for the Series 2015C Term Loan (the "Series 2015C Term Loan Debt Service Account") established as part of the City's Debt Service Fund. There are hereby pledged to the Series 2015C Term Loan Debt Service Account: (a) assessments against property specially benefited by the local improvements financed with the proceeds of the bonds originally issued for such purposes and refunded with the Series 2005B Bonds; (b) net revenues received from certain parking facilities originally pledged to the bonds refunded with the Series 2005B Bonds; and (c) ad valorem taxes as necessary to meet the coverage requirements referred to in Section 5.12. If a payment of principal or interest on the Series 2015C Term Loan becomes due when there is not sufficient money in the Series 2015C Term Loan Debt Service Account to pay the same, the Finance Officer shall pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the revenues or proceeds of the taxes levied by this resolution, when collected. There is appropriated to the Series 2015C Term Loan Debt Service Account: (i) interest to be financed with proceeds of the Series 2015C Term Loan, if any; and (ii) any amount over the minimum purchase price of the Series 2015C Term Loan, if any, paid by the Bank to the extent such amount is not applied to the redemption of the Series 2005B Bonds.

Section 5.11. Application of the Proceeds of the Series 2015C Term Loan. The proceeds of the Series 2015C Term Loan shall be applied to the redemption and prepayment of the portion of the Series 2005B Bonds in the principal amount of \$6,240,000 maturing on December 1 in the years 2018 through and including 2021 (the "Prior Obligations"). The Finance Officer shall prepare and deliver a notice of optional redemption in accordance with the requirements of the resolutions and related documents pursuant to which the Prior Obligations were issued. It is hereby found and determined that the proceeds of the Series 2015C Term Loan will be sufficient to prepay all of the principal and interest on the Prior Obligations. The entire outstanding principal amount of the Prior Obligations will be optionally redeemed on the call date set forth in a notice of optional redemption to be prepared at the direction of the Finance Officer. The conditions set forth in Minnesota Statutes, Section 475.67, subdivision 12, are hereby determined to have been satisfied with respect to the Series 2015C Term Loan and the Prior Obligations.

Section 5.12. Ad Valorem Tax Levy with respect to the Series 2015C Term Loan. Tax levies were previously imposed by the City to provide for the full and timely payment of the principal of and interest on the Prior Obligations. For the purpose of paying the principal of and interest on the Series 2015C Term Loan, it is hereby determined that the assessments against property specially benefited by the local improvements financed with the proceeds of the bonds originally issued for such purposes, certain tax increment revenues, net revenues received from certain parking facilities, and the ad valorem taxes referenced above, and other revenues to be applied to the payment of the principal of and interest on the Series 2015C Term Loan, as described in Section 5.10 of this resolution (the "Series 2015C Term Loan Revenues") will be at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Series 2015C Term Loan. If necessary, however, the City shall levy a direct tax on all taxable property in the City, without limitation as to rate or amount, to pay such principal and interest when due. The City may cancel, in whole or in part, any tax levy to the extent such levy is not required to pay debt service on the Series 2015C Term Loan.

Section 5.13. General Obligation Pledge and Tax Levy with respect to the Series 2015C Term Loan. The full faith and credit of the City are irrevocably pledged for payment of the Series 2015C Term Loan and the City has obligated itself to levy ad valorem taxes on all taxable property in the City in the event of any deficiency in the Series 2015C Term Loan Revenues and the proceeds of ad valorem taxes levied in accordance with the terms of this resolution, which taxes may be levied without limitation as to rate or amount. It is determined that the estimated collection of the foregoing taxes, together with the Series 2015C Term Loan Revenues, will produce at least five percent (5%) in excess of the amount needed to meet when due, the principal and interest payments on the Series 2015C Term Loan. If necessary, however, the City shall levy an additional direct tax on all taxable property in the City, without limitation as to rate or amount, to pay such principal and interest when due.

5.14. Certified Copy of Resolution. The City Clerk is hereby authorized and directed to certify a copy of this resolution and cause the same to be filed with the Director of the Taxpayer Services Department of Hennepin County, exercising the powers of the county auditor under Minnesota Statutes, Section 475.63, and to obtain the certificate of the Director of the Taxpayer Services Department of Hennepin County as to the registration of the Series 2015 Term Loans, as evidenced by the Series 2015 Notes.

5.15. Covenant to Appropriate. The City covenants and agrees that it shall (i) include all amounts payable as principal of and interest on the Amended Series 2011 Term Loans and the Series 2015 Term Loans for each fiscal year in which such amounts are due and payable in its budget for that fiscal year; (ii) appropriate such amounts from the proper funds for such payments; and (iii) duly and punctually pay or cause to be paid such payments of principal of and interest on the Amended Series 2011 Term Loans and the Series 2015 Term Loans.

SECTION 6. TAX COVENANTS.

6.01. Tax-Exempt Term Loan. No action shall be taken or authorized to be taken in connection with the application or investment of the proceeds of the Amended Series 2011A Term Loan or the Series 2015 Term Loans which would cause the Amended Series 2011A Term Loan or any of the Series 2015 Term Loans to be or become a "private activity bond" within the meaning of Section 141 of the Code and the applicable Treasury Regulations promulgated thereunder, or be or become an "arbitrage bond" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. No action shall be taken or authorized to be taken in connection with the application or investment of the proceeds of the Amended Series 2011B Term Loan which would cause the Amended Series 2011B Term Loan to be or become a "private activity bond," other than a "qualified 501(c)(3) bond," within the meaning of Section 141 and Section 145 of the Code and the applicable Treasury Regulations promulgated thereunder, or be or become an "arbitrage bond" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. If, notwithstanding the preceding sentences of this Section 6.01, the City takes a deliberate action subsequent to the issuance of the Amended Series 2011A Term Loan or the Series 2015 Term Loans that causes the conditions of the private business tests or the private loan financing test, under Section 141 of the Code and applicable Treasury Regulations, to be satisfied, or that causes the Amended Series 2011B Term Loan to fail to satisfy the requirements of Section 145(a) of the Code and applicable Treasury Regulations promulgated thereunder, the City shall take all remedial actions under the provisions of Treasury Regulations, Section 1.141-12, as amended, that prevent an action that causes the Amended Series 2011A Term Loan or any of the Series 2015 Term Loans to satisfy the private business tests or the private loan financing test or that cause the Amended Series 2011B Term Loan to fail to satisfy the requirements of Section 145(a) of the Code, from being treated as a deliberate action. This Section 6.01 constitutes the written procedures to ensure that all nonqualified bonds of the Amended Series 2011A Term Loan, the Series 2015 Term Loans, or the Amended Series 2011B Term Loan are remediated according to the requirements of the Code and applicable Treasury Regulations. The City shall take all such actions as may be required under the Code and applicable Treasury Regulations to ensure that interest on the Amended Series 2011 Term Loans and the Series 2015 Term Loans is not includable in gross income for federal income tax purposes.

6.02. Not Private Activity Term Loan. The investments of the proceeds of the Amended Series 2011 Term Loans or the Series 2015 Term Loans, including the investments of any revenues pledged to the Amended Series 2011 Term Loans or the Series 2015 Term Loans which are considered proceeds under Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that neither the Amended Series 2011 Term Loans nor the Series 2015 Term Loans shall be or become an "arbitrage bond" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. On the basis of the existing facts, estimates, and circumstances, including the foregoing findings and covenants, it is not expected that the proceeds of the Amended Series 2011 Term Loans or the Series 2015 Term Loans will be used in such manner as to cause the Amended Series 2011 Term Loans or the Series 2015 Term Loans to be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The Finance Officer shall furnish a certificate to the Bank based on the foregoing certification at the time of delivery of the Amended Series 2011 Notes and the Series 2015 Notes and the Finance Officer may make any election permitted under Section 148 or Section 150 of the Code on behalf of the City.

SECTION 7. MISCELLANEOUS MATTERS RELATING TO THE AMENDED SERIES 2011 TERM LOANS AND THE SERIES 2015 TERM LOANS.

7.01. Enforceability of Term Loan Agreement and Note. All agreements, covenants, and obligations of the City contained in this resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council, or of any officer, employee, or agent of the City in that person's individual capacity. Neither the members of the City Council, nor any officer executing the Amended Series 2011 Term Loan Agreements, the Series 2015 Term Loan Agreements, the Amended Series 2011 Term Notes, or the Series 2015 Term Notes shall be liable personally on the Amended Series 2011 Term Loan Agreements, the Series 2015 Term Loan Agreements, the Amended Series 2011 Term Notes, or the Series 2015 Term Notes or be subject to any personal liability or accountability by reason of the execution of the Amended Series 2011 Term Loan Agreements or the Series 2015 Term Loan Agreements or the issuance of the Amended Series 2011 Term Notes or the Series 2015 Term Notes.

7.02. Rights Conferred. Nothing in this resolution or in the above-referenced documents is intended or shall be construed to confer upon any person (other than as provided in the Amended Series 2011 Term Loan Agreements, the Series 2015 Term Loan Agreements, the Amended Series 2011 Term Notes, or the Series 2015 Term Notes and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provision of this resolution.

7.03. Persons Authorized to Execute Documents. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

7.04. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated by this resolution is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the Bank or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the City as the issuer of the Amended Series 2011 Term Loans and the Amended Series 2011 Terms Notes or the Series 2015 Term Loans and the Series 2015 Term Notes; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, bond counsel, or other counsel retained by the City to review such amendments; (e) the City has received, if necessary, an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character or interest on the Amended Series 2011 Term Loans or the Series 2015 Term Loans (if the Amended Series 2011 Term Loans or the Series 2015 Term Loans are then tax-exempt obligations); and (f) such amendments do not materially prejudice the interests of the Bank or other owners of the Amended Series 2011 Term Loans or the Series 2015 Term Loans. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this resolution. The execution of any instrument by the Finance Officer shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

7.05. Effective Date. This Resolution shall take effect and be in force from and after its approval.